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Chapter No. 488
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SENATE BILL NO. 2541

Originated in Senate Liz Welch Secretary

SENATE BILL NO. 2541

AN ACT TO CREATE THE FANTASY CONTEST TASK FORCE; TO CREATE THE FANTASY CONTEST ACT; TO CREATE NEW SECTION 97-33-301, MISSISSIPPI CODE OF 1972, TO ENACT A SHORT TITLE; TO CREATE NEW SECTION 97-33-303, MISSISSIPPI CODE OF 1972, TO ENACT DEFINITIONS; TO CREATE NEW SECTION 97-33-305, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE OPERATOR OF A FANTASY CONTEST WITH AN ENTRY FEE MUST IMPLEMENT CERTAIN PROCEDURES, CONTRACT WITH A THIRD PARTY TO ANNUALLY PERFORM AN INDEPENDENT AUDIT TO ENSURE COMPLIANCE WITH THIS ACT AND SUBMIT THE RESULTS TO THE GAMING COMMISSION; TO CREATE NEW SECTION 97-33-307, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT THE OPERATOR OF A FANTASY CONTEST WITH AN ENTRY FEE MUST REGISTER UNDER THE ACT; TO CREATE NEW SECTION 97-33-309, MISSISSIPPI CODE OF 1972, TO PROVIDE A CIVIL PENALTY FOR VIOLATIONS OF THIS ACT AND TO PROVIDE THAT CERTAIN CIVIL AND CRIMINAL PENALTIES SHALL NOT APPLY TO FANTASY CONTEST OPERATORS WHO COMPLY WITH THE PROVISIONS OF THIS ACT; TO CREATE NEW SECTION 97-33-311, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE GAMING CONTROL ACT SHALL NOT APPLY TO FANTASY CONTESTS; TO CREATE SECTION 97-33-313, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR SUNSET OF THE FANTASY CONTEST ACT; TO CREATE SECTION 97-33-315, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR RESOLUTION OF DISPUTES OVER WINNINGS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. (1) There is hereby created the Fantasy Contest Task Force to undertake a comprehensive review of the offering of fantasy contests with a fee within this state and to recommend the

proper oversight and regulation of the offering of fantasy contests with a fee. The task force shall be chaired by the Chairperson of the Senate Judiciary Committee, Subdivision "A" and the Chairperson of the House of Representatives Gaming Committee, acting as co-chairs, and further shall be composed of seven (7) members, as follows:

(a) The Executive Director of the Mississippi Gaming Commission or a designee;

(b) The Commissioner of Revenue or a designee;

(c) An assistant or special assistant attorney general assigned to the Gaming Commission as designated by the Attorney General;

(d) Two (2) members appointed by the Chairperson of the Senate Judiciary Committee, Subdivision A; and

(e) Two (2) members appointed by the Chairperson of the House of Representatives Gaming Committee.

(2) The appointed members of the task force must be appointed within thirty (30) days of the effective date of this act. Any vacancy in the task force shall not affect its powers, but shall be filled as prescribed in subsection (1). The task force shall hold its first meeting within sixty (60) days of the effective date of this act, on the call of the co-chairpersons of the task force. A majority of the membership of the task force shall constitute a quorum, and shall meet at the call of the co-chairs, or upon an affirmative vote of a majority of the task

force. All members must be notified in writing of all meetings at least five (5) days before the date on which a meeting of the task force is scheduled.

(3) The members of the task force shall serve without compensation.

(4) The task force shall prepare and submit a final report that contains a detailed statement of findings, conclusions and recommendations of the task force to the Legislature by October 15, 2016. The report shall be made available to the public.

SECTION 2. The following shall be codified as Section 97-33-301, Mississippi Code of 1972:

97-33-301. Sections 2 through 9 of this act shall be known as the "Fantasy Contest Act."

SECTION 3. The following shall be codified as Section 97-33-303, Mississippi Code of 1972:

97-33-303. As used in this act:

(a) "Confidential information" means information related to the play of a fantasy contest by fantasy contest players obtained as a result of or by virtue of a person's employment.

(b) "Entry fee" means cash or cash equivalent that is required to be paid by a fantasy contest player to a fantasy contest operator to participate in a fantasy contest.

(c) "Fantasy contest" or "fantasy contest with an entry fee" means a fantasy or simulated game or contest in which:

(i) The value of all prizes and awards offered to winning players is established and made known to the players in advance of the contest;

(ii) All winning outcomes reflect the relative knowledge and skill of the players and are determined predominately by accumulated statistical results of the performance of individuals, including athletes in the case of sporting events; and

(iii) Winning outcomes are not based on the score, point spread, or any performance of any single actual sports team or combination of such teams or solely on any single performance of an individual athlete in any single actual sporting event.

(d) "Fantasy contest operator" means a person or entity that offers fantasy contests with an entry fee and for a cash prize to one hundred (100) or more members of the general public.

(e) "Fantasy contest player" or "player" means a person who participates in a fantasy contest offered by a fantasy contest operator.

(f) "Office" means the Gaming Commission as set forth in Section 75-76-7.

SECTION 4. The following shall be codified as Section 97-33-305, Mississippi Code of 1972:

97-33-305. (1) Fantasy contests with an entry fee are legal in this state. A fantasy contest operator must comply with the provisions of this section.

(2) A fantasy contest operator must implement procedures for fantasy contests with an entry fee to:

(a) Prevent employees of the fantasy contest operator, and relatives living in the same household with an employee, from competing in public fantasy contests offered by a fantasy contest operator in which the operator offers a cash prize;

(b) Prevent sharing with third parties of confidential information that could affect the fantasy contest play until the information is made publicly available;

(c) Prevent the fantasy contest operator from participating in a fantasy contest he or she offers;

(d) Verify that a fantasy contest player in a fantasy contest is eighteen (18) years of age or older;

(e) Ensure that individuals who participate or officiate in a game or contest that is the subject of a fantasy contest will be restricted from entering a fantasy contest that is determined, in whole or in part, on the accumulated statistical results of a team of individuals in a fantasy contest in which he or she is a player;

(f) Allow individuals to restrict themselves from entering a fantasy contest upon request and provide reasonable steps to prevent the person from entering fantasy contests offered by the operator;

(g) Disclose the number of entries that a fantasy contest player may submit to each fantasy contest and provide

reasonable steps to prevent players from submitting more than the allowable number; and

(h) Segregate fantasy contest player funds from operational funds and maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond, or a combination thereof, in the amount of the deposits made to the accounts of fantasy contest players for the benefit and protection of the funds held in the accounts.

(3) The statistical results and performance of individuals used to determine a player's outcome are restricted to only professional athletes and professional athletic events.

(4) A fantasy contest operator offering fantasy contests with an entry fee in this state must contract with a third party to annually perform an independent audit to ensure compliance with this section, and must submit the results of the audit to the office.

SECTION 5. The following shall be codified as Section 97-33-307, Mississippi Code of 1972:

97-33-307. (1) A fantasy contest operator offering fantasy contests to be played by persons in this state must register with the office to conduct fantasy contests within this state.

(2) A fantasy contest operator offering fantasy contests within this state must be lawfully conducting business within this state.

(3) Registration information shall include:

(a) The identity and name, address and telephone number of the person or business entity offering fantasy contests as well as the name, fictitious name or business name under which the fantasy contests are offered; the duty to provide current and accurate information is an ongoing duty; and

(b) One (1) year after initial registration, the third-party audit required by Section 97-33-305(3).

(4) Registration information shall be available for public review.

(5) Only a licensee under the Gaming Control Act may offer on-premises fantasy contests in the licensee's licensed gaming establishment. On-premises fantasy contests shall not be offered at any other commercial or business establishment.

SECTION 6. The following shall be codified as Section 97-33-309, Mississippi Code of 1972:

97-33-309. A person, firm, corporation, association, agent or employee violating the Fantasy Contest Act shall be subject to a civil penalty of not more than Ten Thousand Dollars (\$10,000.00) for each violation, which shall accrue to the state and may be recovered in a civil action brought by the office.

SECTION 7. The following shall be codified as Section 97-33-311, Mississippi Code of 1972:

97-33-311. The Gaming Control Act shall not apply to fantasy contests, except as authorized in this act.

SECTION 8. The following shall be codified as Section 97-33-313, Mississippi Code of 1972:

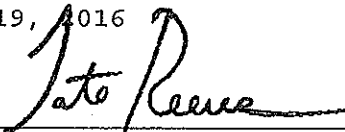
97-33-313. Disputes over winnings shall be resolved under the procedures set forth in Sections 75-76-157 through 75-76-173.

SECTION 9. The following shall be codified as Section 97-33-315, Mississippi Code of 1972:

97-33-315. Sections 97-33-301 through 97-33-315 shall stand repealed on July 1, 2017.

SECTION 10. This act shall take effect and be in force from and after its passage.

PASSED BY THE SENATE
April 19, 2016



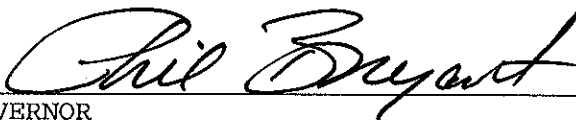
PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
April 19, 2016



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

May 12, 2016
10:56 AM